

CHARITY NO: SC005932

COMPANY NO: SC097369

THE GLASGOW FILM THEATRE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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THE GLASGOW FILM THEATRE
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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THE GLASGOW FILM THEATRE
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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity is registered as Glasgow Film Theatre (also known as GFT), and also trades under the following names: Glasgow Film, Glasgow Film Festival, Glasgow Short Film Festival, Glasgow Youth Film Festival. A company limited by guarantee, registered in Scotland No SC097369 and registered with the Office of the Scottish Charity Regulator (No SC005932).

Trustees

Bailie Elizabeth Cameron (Resigned 15 August 2017)
Councillor Frank Docherty
Richard Cairns
David Gordon
Eleanor McAllister, OBE (Resigned 30 January 2018)
Simon McMillan (Resigned 15 August 2017)
Uzma Mir-Young
Susan Robinson (Resigned 15 August 2017)
Denise Mina
David Archibald
Stuart MacLean
Paul Zealey (Appointed 24 October 2017)
Rishaad Ait El Moudden (Appointed 30 January 2018)
Myriam Mouflih (Appointed 30 January 2018)
Gillian McCallum (Appointed 30 January 2018)
Bruce Malcolm (Appointed 30 January 2018)
Abigail Kinsella (Appointed 30 January 2018)

Chief Executive

Jaki McDougall

Company Secretary

David Gattens

Principal Office

12 Rose Street
Glasgow
Scotland
G3 6RB

Charity Number:

SC005932

Company Number:

SC097369

Independent Auditors

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Bankers

Royal Bank of
Scotland plc
300 Bath Street
Glasgow
G2 6EQ

Solicitors

Hasties
19 Lynedoch Crescent
Glasgow
G3 6EQ

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland published on 16 July 2014.

The reference and administrative information on page one forms part of this report.

1. OBJECTIVES AND ACTIVITIES

The charity, registered as Glasgow Film Theatre, is also known as GFT, and also trades under the following names: Glasgow Film, Glasgow Film Festival, Glasgow Short Film Festival, Glasgow Youth Film Festival and Film Hub Scotland.

Glasgow Film Theatre was incorporated to:

- advance, promote, maintain, improve and encourage the education of the public in the appreciation of film and related media as a means of enlightenment;
- promote the study of film and related media and without prejudice to the generality of the foregoing;
- produce and exhibit films and related media, music and literature for these purposes to organise, promote, manage and conduct or to assist in or subsidise the organisation, and conduct of such activities and of such other similar activities and studies including concerts, lectures, broadcasts, exhibitions and competitions.

Our mission is: Glasgow Film Theatre is a national centre for film and moving image media where audiences and filmmakers experience and debate cultural practice and ideas through diverse, unique and quality programmes that transform the way people see the world, through film.

The vision, or long-term aims that shape our annual activities is: to be acknowledged by our partners and our audiences as being central to artistic and cultural, educational and social life. Playing a leading role in innovation and risk taking in film and moving image, to span the virtual and real worlds, achieving access and excellence and making a positive contribution to the regeneration of Glasgow. Our aim is to be a leading centre for film and moving image media connecting local and global audiences, learners, talent, cultures and ideas.

In shaping our objectives for the year and planning our activities, the trustees consider how annual or short-term aims contribute to delivering our mission, vision and long-term aims and objectives. The trustees have also considered the Scottish Charity Regulator OSCR's guidance on public benefit.

We endeavor to encourage all within our community to take part in our activities and to attend our cinemas and our events. The range of film and moving image we provide is to be enjoyed by all from the very young with our free family events to our work in community engagement and learning, and programmes with particular appeal to our older residents.

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The strategies employed to achieve the charity's aims and objectives are to:

- Be a producer of inspirational cultural film programmes and experiences;
- Celebrate the collective experience of moving image and the wonder of cinema;
- Develop innovative partnerships, bridging expertise and inspiration to increase and enhance the quality of the programme;
- Expand our digital footprint to engage a wider and more participatory audience;
- Find new and creative ways to further maximise return on public investment, as well as diversifying income generating sources and opportunities;
- Adopt working practices that encourage dialogue between audiences, staff, volunteers, curators, filmmakers/artists, investors and other partners, locally nationally and internationally;
- Act as a gateway to cultural appreciation, production and experience for all.

Putting these strategies into action, we have six major areas of activity:

- The GFT: Glasgow Film Theatre has been leading the way in specialised cinema for over 40 years. Its three screens show 100% specialised titles, first-run world and independent cinema, artists' experimental work, issue based programmes, thematic seasons, repertory programmes, Scottish produced work, festivals, and a programme of event cinema and live broadcast.
- Glasgow Film Festival (GFF) established in 2005, is dedicated to presenting the best Scottish and international cinema. GFF presents a unique programme including feature films, an industry focus and special events with particular emphasis on encouraging new audiences and cross art-form production, and talent development. GFF also produces GFF Schools Week.
- Glasgow Short Film Festival (GSFF), Scotland's leading short film event, champions new film talent by providing an annual showcase and meeting point for new and established Scottish and international filmmakers, industry delegates and audiences. An intense five days of competition screenings, unique special programmes, workshops and live events showcasing the most exciting short form moving image content.
- Glasgow Youth Film Festival (GYFF), programmed by young people, it presents an outstanding range of international films and creative workshops for young people across the city.
- Glasgow Film's learning and community engagement programme aims to provide and nurture creative, inspiring, informative, accessible and participative engagement and lifelong learning opportunities around cinema and the moving image, for all.
- Film Hub Scotland is part of the BFI's Film Audience Network and is one of eight Hubs across the UK with the aim of extending film choice, increasing audiences, and enhancing opportunities for audiences across Scotland to deepen their relationship with film.

Monitoring and Evaluation

Glasgow Film Theatre is committed to ensuring that all aspects of its programme and the organisation that supports the programme are of the highest quality. We aim to undertake a continuous process of planning, monitoring and evaluation with quality assurance embedded within the whole process from aims and objectives through to business planning and programme delivery.

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We monitor the quality and our progress through the following:

- Attendances are recorded and circulated weekly. Quarterly figures are provided for the trustees;
- All aspects of the programme have targets set against which performance is measured;
- Web, Facebook and Twitter hits are recorded;
- Audience and visitor feedback is encouraged and is recorded and collated;
- Management Reports (Finance, Programme, Engagement and Learning, Communications and Marketing, Development, Operations) are produced and circulated to senior staff and trustees on time;
- Formal evaluation meetings take place following all Festivals, projects and large-scale events;
- All course attenders are requested to complete evaluation;
- Staff and volunteer meetings inform staff and volunteers on all aspects of the organisation and staff and volunteers provide their views on this. Information is taken to Senior Management Team meetings to feed into the planning cycle.

When evaluating how successful we are or not we consider:

- Attendance figures (increase/decrease);
- Audience feedback including the impact of work;
- Income generation (increase/decrease);
- Peer reviews (positive/negative);
- Course attenders' feedback (positive/negative);
- Profile for organisation: positive/increased or negative;
- Organisations want to work with GFT;
- Funders are happy with progress of organisation/ funders have reservations;
- Staff morale positive, staff understand business plan and their contribution to achieving the goals.

Donated Services

In the year, 72 volunteers provided 7,440 hours assisting with stewarding screenings and events at GFT. 137 volunteers contributed around 3,000 hours to help make Glasgow Film Festival a great success, and a further 48 volunteers contributed around 700 hours to Glasgow Short Film Festival. The trustees are unpaid, and GFT also hosts placements throughout the year for school children and students.

Our priorities for 2017/18 were to:

- Achieve admissions of 196,000 in the year – a challenging target, which would represent the third-biggest year in GFT's history.
- Successfully deliver the third year of our Creative Scotland Regular Funded Organisation programme.
- Continue to strengthen resilience by improving margins and reducing energy consumption.
- Continue to increase engagement by young people and people with disabilities.
- Launch a full Dementia Friendly Cinema programme in 2017.

All priorities were delivered within the year.

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Overview of the Year

The year to March 2018 was an exceptional one.

2017/18 was the first full year of trading following the major building development work and the organisation has grown and thrived following a period of transition. Both artistically and financially, Glasgow Film Theatre has flourished with our unrestricted reserves increasing whilst showing a programme of strong artistic merit.

For only the second time in our history, GFT welcomed over 201,000 admissions in the space of over one financial year. It screened almost 700 titles covering every continent of the world along with our festivals and a strong programme of education and engagement activity. A further 12,700 people engaged with screenings and events curated by Glasgow Film beyond our building. The Glasgow Film Theatre programme is culturally diverse both in content and audience reach and is consequently artistically richer.

We place our audience at the very heart of our existence. Our audiences are all ages and abilities and come from across Glasgow, Scotland and beyond. Our Learning & Engagement Programme reached out with a programme including work in and with the community, young people's programmes, and education and learning achieving attendances of over 29,000.

Collaboration is at the heart of what we do: working with artists, filmmakers, academics, educational establishments, cultural institutions, young people, community groups, professional bodies, councils and other stakeholders, many highlighted in the pages of this report. Glasgow Film Theatre is also a key part of several well-established national, UK and European networks such as the Film Audience Network, Europa Cinemas, and the EuroShort network of festivals. All of these partnerships and more play a key role in ensuring Glasgow Film Theatre is an energetic and exciting cultural hub in Scotland.

Glasgow Film Theatre (GFT)

Glasgow Film Theatre (GFT) is a world renowned cultural cinema housed in a Grade B listed building in the heart of Glasgow City centre. With three cinema screens and a small dedicated learning space, our home which is many things to many people – a safe, accessible and welcoming place for the whole community to be entertained, to learn, to socialise.

"For me, the @glasgowfilm just feels like my heart of cinema. It feels like a community that's bonded by a shared love, and the cinema knows it, and always has an amazing programme and special events."

GFT audience member on Twitter

"It's a cinema like no other, with friendly staff and volunteers. It makes me feel happy to go there."
GFT 2017 Audience Survey

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The GFT film programme in 2017/18 comprised first run independent, auteur and international cinema combined with film festivals, unique events and film seasons in partnership with local organisations, international collaborators and universities. An important part of this is our engagement with audiences, including Q&As with cast and crew, introductions, programme notes and post-screening discussions. GFT has attracted new and established talent, forging further links with organisations such as Chapter Thirteen Gallery and Hunterian Gallery; feminist collective The Final Girls; socially and environmentally active organisations Take One Action!; UK Green Film Festival and Africa in Motion; specialist world cinema purveyors London Korean Film Festival, Viva Spanish & Latin American Film Festival and international film festivals.

GFT provides a unique film in experience in Glasgow, balancing in-demand larger releases with more diverse and alternative content. The top ten new release films attracting the largest audience were: *The Death of Stalin*, *Three Billboards Outside Ebbing, Missouri*, *Blade Runner 2049*, *The Phantom Thread*, *Call Me By Your Name*, *The Shape of Water*, *Isle of Dogs*, *Dunkirk*, *The Post* and *You Were Never Really Here*. In addition to these box office successes, GFT continued to find success and audiences in more niche titles through support for films which had limited releases, such as Scottish filmmaker Hope Dickson-Leach's *The Levelling*, and being one of only a handful of cinemas outside of London to screen the Safdie Brothers daring and provocative *Good Time*. GFT is delighted to be able to bring critically-lauded but under exposed films such as these to our audiences.

In 2017/18, with the aim of introducing new audiences to significant filmmakers, we launched a new regular strand to our monthly programming, selecting a 'Cinemaster' each month and screening select films from their back catalogue to new audiences. The programme launched with David Lynch and has now included directors as diverse as Rainer Werner Fassbinder, Claire Denis and the Coen Brothers.

With increasing demand for informal adult learning growing, we tripled our course offer. We doubled the number of courses and places available for the Contemporary Cinema Course which continues to be exceptionally popular. In addition we added a course exploring philosophy through cinema and one looking at Irish history onscreen.

Glasgow Film Festival

"What struck me about the Glasgow Film Festival was not only the films themselves, but also how well they were introduced by the festival organisers...they knew their films and they knew their audience."

Culture Republic – New View on Audiences

"I am so pleased and proud that we got to premiere You, Me and Him at the GFF. In the GFT, possibly my favourite cinema in the world."

David Tennant in Screen Daily

Glasgow Film Festival has firmly established itself one of the top three film festivals in the UK. The festival's main base is at GFT with events and screenings taking place at a further 20 venues across the city. GFF18 was the fourteenth edition and saw 364 planned screenings featuring 13 World and European premieres, 77 UK Premieres and 52 Scottish Premieres and featured films from 51 countries.

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This year the audience admissions target was set at 41,000, and at the time the 'Beast from the East' hit, in the middle of the festival, admissions were 7% ahead of target. The impact of the storm and cancelled screenings reduced our admissions to 35,618. The show went on, and we had many positive comments on how we responded to this unique and unexpected situation.

GFF18 had a larger number of guests and press attend than previous years and hosted a record number of Q&A's for our audiences. GFF18 guests who attended included Karen Gillan, Edith Bowman, Ruby Barnhill, Imogen Poots, Callum Turner, Gemma Arterton, Lynne Ramsay, Nora Twomey, Warwick Thornton, Paddy Considine, May Miles Thomas and David Tennant.

Our Audience Award supporting 1st or 2nd time directors, goes from strength to strength and a record number of seven women directors featured out of ten films chosen for the Audience Award. The 2018 Audience Award went to Xavier Legrand's *Custody*.

Targeted at increasing the affordability of and access to the Festival, our free screenings programme continued to be popular and our retrospective 'Rebel Heroes' featured such classics as *Bullitt*, *On the Waterfront* and *Dog Day Afternoon*.

Unfortunately the storm meant that the three-day Industry Focus was cancelled in its entirety. We are indebted to the support and understanding of our on-going partnerships with key industry organisations in delivering the Industry Focus, such as Film London, WFTV, BAFTA Scotland, NFTS Scotland, Directors UK, the Glasgow Film Office, and Film City Glasgow, and will be collaborating closely again with these partners for GFF 2019.

GFF18 also saw an increase in press coverage, with 1,748 individual items of coverage logged (including print, broadcast and online), up 9% on the total of 1,594 items last year. A total of 484 individual outlets covered the festival this year.

Glasgow Short Film Festival

"Scotland's coolest film festival"
The Skinny

"I feel like there is a really special quality fostered within GSFF and I so loved all the programming I was able to catch. Simply the best!"
Julia Hutchings, filmmaker selected for international competition, Canada

"It was a really enjoyable and much needed event. It was so valuable to see the other work from other institutions. The panel were really direct and constructive which was really useful for the students to see how people see their films and what programmers are really looking for."
Kay Sheridan, Screen Academy Scotland, on the inaugural Film Schools Day

GSFF marked its eleventh edition with a major focus on filmmaking communities in South East Asia, in collaboration with the South East Asian Cinemas Research Network, and with the introduction of a new festival hub and late night venue at Civic House. Digital entertainment company Blazing Griffin sponsored the Scottish Short Film Award for a second year, as well as staging a series of industry events.

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The festival screened 290 films from 46 countries in 79 screenings and events. Total attendance was 3,263. 281 guests and industry delegates attended the festival, with international filmmakers and guests traveling from Austria, Brazil, Cambodia, Canada, Colombia, France, Germany, Indonesia, Ireland, Malaysia, Myanmar, the Netherlands, the Philippines, Singapore, Spain, Sweden, Thailand, the USA and Vietnam.

Programme highlights included four programmes of work presented by acclaimed US filmmaker Kevin Jerome Everson, including his eight-hour documentary *Park Lanes*, and an over-night screening of 25 short films by Cannes Palme d'Or winning Thai artist Apichatpong Weerasethakul. The festival launched a three-part programme collaboration with Vienna Shorts and L'Alternativa, Barcelona on the subject of the resurgence of the far right in Europe. Special programmes devoted to hip-hop and Scottish music videos drew enthusiastic audiences. A free animation event supported by Glasgow Community Planning Partnership proved to be a massive hit for families in the East End. In collaboration with the Scottish Creative Media Network the festival hosted the first Film Schools Day, giving five institutions a platform to show their work to one another and to an international industry panel.

Beyond the festival, GSFF ran the first Shorts in Support scheme, promoting four new Scottish shorts to venues across Scotland to screen in front of regular feature programming. Seven different venues screened the films 313 times to a total audience of 8,195. The festival supplied programming to several summer music festivals, in collaboration with CineMor 77, and once again curated the short films at Cromarty Film Festival. GSFF provided shorts programmes for Dokufest in Kosovo and Short Waves in Poland. And the festival was commissioned to provide short films for an experimental arts therapy project, to screen in treatment rooms at the new Royal Hospital for Sick Children and Department of Clinical Neurosciences in Edinburgh.

Children & Young People

"Bringing a group of small children to such a big event is always daunting. The staff at GFT made it seem effortless; welcoming us on arrival, taking us to our allocated seats, supervising the event and making sure we were safely on our way at the end. All with a smile and a kind word. The film was fabulous and the children enjoyed it enormously."

Email from Adelphi Nursery

Glasgow Film works with schools and colleges to provide a range of learning opportunities for young audiences. During 2017/18, over 14,500 school audience members attended 108 screenings, workshops and events. The programme supported creative learning on a variety of topics and linked to key dates across the school calendar, including Spanish and French Film Festivals and Holocaust Memorial Day. Resource packs were also provided for Glasgow Film Festival Schools Week events and the UK-wide Into Film Festival.

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Fair's Fair - National Tour: This year saw the second of GFT's Dramatic Enquiry programmes in which our creative learning specialists produced an immersive film and theatre experience for learners in years Primary 5 to Secondary 2. Set in a fictitious world and using in-role and philosophical enquiry strategies, *Fair's Fair* enabled learners from across Scotland to engage creatively with philosophical dilemmas and to work together to try to find the best way to solve complex political problems. *Fair's Fair* launched in Glasgow and toured to Aberdeen, Dundee, Edinburgh, Inverness and Kirriemuir reaching 34 schools and 1,050 participants.

During Summer 2017, four care experienced young people from across Glasgow took part in an animation summer school to create the animated sequences for the *Fair's Fair* Dramatic Enquiry programme.

Over five days in February 2018, this year's Glasgow Film Festival Schools Week attracted 5,114 young people from across the West of Scotland to 28 screenings, workshops and events. Screenings ranged from *Paddington* and *Shorts for Wee Ones* for the youngest learners, to language learning with French and Spanish films. There were also interactive animation and filmmaking workshops from Into Film.

Subsequent to securing Royal Bank of Scotland funding we worked alongside four local Glasgow Primary schools to deliver a Mantle of the Expert programme called *The Film Festival*. 1,020 pupils have benefitted from taking part in the programme through developing enterprise and filmmaking skills.

Our in-school creative learning programmes included five CLPL events for 139 teachers, to support them to utilise creative learning and moving image within the classroom.

Take 2 is GFT's programme of family friendly Saturday matinees enabling families to share free cinema experiences. All of the Take 2 screenings are free to Glasgow Young Scot and KidzCard holders and an accompanying adult or carer. This year we welcomed 7,148 family members to these events. Take 2 Access, GFT's monthly Autism friendly screenings, enabled 152 family members to enjoy screenings together in a low sensory environment, which is better suited to young people with Autism Spectrum Disorders.

In 2017/18 GFT welcomed 3,560 young people aged 15-19 to a programme which included dedicated screenings and events, and a mini Glasgow Youth Film Festival in 2017. GFT was the first cinema in the UK to introduce a festival for young people, programed and managed by young people themselves. While this award-winning festival continued to be successful, with the 10th anniversary of Glasgow Youth Film Festival in 2018, during 2017/18, in order to increase the diversity of the group, and specifically young people aged 15-19 who would not normally have the opportunity to take part in cultural events, we adopted a different approach to recruitment to the Youth Group who oversee the festival.

We held closed monthly screenings for guests invited from local schools, youth groups, and support groups. These included young people from groups such as the Scottish Refugee Council, Queens Cross Housing Association and Includem, as well as local schools who had initially visited GFT for schools screenings. In all we held 22 closed Youth Screenings which attracted 810 young people. This diverse group is growing in size as well as confidence, and we look forward to relaunching Glasgow Youth Film Festival in September 2018.

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Engagement

"As far as venues go, GFT has to be one of the most all round disability friendly and inclusive places in the city, if not the country. Autism friendly, closed caption, Take Two family events, dedicated disability friendly showings and genuinely brilliant and knowledgeable staff (amongst other things) all add up to make the GFT a perfect example of how a venue can tackle the issues of inclusion and get it right."

Ashton Lamont – Austastical Blog.

Opportunity to engage in cultural experiences is never more difficult to access than when living in times of social austerity. So for Glasgow Film, striving to achieve 'Cinema for All' has never been more necessary. Under the umbrella of Equalities, Diversity and Inclusion, Glasgow Film Engagement is acutely aware of its duty to provide and provoke connection, community and culture through engagement with film. Ongoing engagement activities; screenings, debates, courses, workshops, critical engagement, Q&A's and project funded outreach work are diverse in context and enriching in form. Audience engagement strategies are considered and targeted to provide access for all. People who are D/deaf, disabled, living with and affected by dementias and people from socially and economically disadvantaged audiences are prioritised and these considerations vastly enhance our programme and projects, whilst concurrently enabling diverse and often segregated communities to come together.

Targeted work in equality, diversity and inclusion in 2017/18 included:

Access Cinema - monthly screenings and quarterly events programme for people aged 15+ on the autistic spectrum and/or with additional needs. In 2017/18 we improved Access Film Club by co-running the events with two autistic volunteers from the National Autistic Society Scotland and we became a key venue in Glasgow's Autism Friendly City Initiative.

Access Take 2 – monthly free screenings for children and their parents/carers and family or friends.

Movie Memories - In October 2017 we added a fresh element to our expanding public engagement commitment in the form of Movie Memories: an innovative dementia friendly film programme presenting classic and contemporary film screenings alongside multi-arts entertainment in a safe and social environment. By taking time to understand our audiences better via a robust R&D process, we wanted to reinvigorate how we cater for our ageing audiences by providing exciting and immersive film experiences, which are as much about cherishing the past as celebrating the present. After successfully receiving three years of funding from Life Changes Trust, we designed a vibrant, monthly screening and event programme focusing on film, community and dementias, with support from a steering group and academic research provided by Caledonian University, Glasgow.

RCS Curates - We are currently in our 2nd year of curating Deaf friendly events with the established RCS Curates programme – a quarterly event co-curated with the Royal Conservatoire of Scotland's BA Performance in BSL and English students. These events continue to attract capacity audiences and most recently we hosted a sellout event in partnership with Encounters Film Festival, Bristol with a Deaf shorts showcase as part of Glasgow Short Film Festival 2018.

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Visible Cinema - monthly screenings and quarterly events programme for people who are D/deaf or hard of hearing. All screenings have English captions and speech to text technology allows everyone to take part in the post-screening discussions.

During Glasgow Film Festival 2018, we also offered eight BSL interpreted industry engagement events, attended by over 250 people. Glasgow Short Film Festival had four captioned screenings with BSL interpreted intros/Q&As – the Scottish Competition programmes 1-3 and Visible Cinema Deaf Shorts Showcase.

As part of our established partnership with CRER (Centre for Research in Ethnic Relations) and Black History Month, we programmed Oscar nominated film, *Get Out*, hosted a closed community engagement screening to 30, locally engaged, BAME 18-25 year olds and ran a very successful public screening which attracted 122 people.

Audience Engagement

Our audiences at GFT and the Festivals are at the very heart of what we do. Connecting with our audience is central to our programming, learning, engagement and communications. Our audience development and marketing strategy in 2017/18 focused on the consolidation of existing audiences and nurturing new diverse audiences.

A central element of our strategy for this year was the revision of our existing Accessible Screenings Enewsletter and the creation of a dementia friendly Enewsletter, launched in October 2017. These new and improved communications provides a much clearer access point for all GFT and Festivals information and promotion. The result was a 31% increase in sign up the Accessible screenings Enewsletter and a 36% increase in sign up to the Dementia Friendly Enewsletter and a 55 average 500,000 page views per month.

Consolidating existing audiences:

- Communicating regularly and responsively through our Facebook and Twitter channels, as well as our 22,007 weekly newsletter subscribers.
- Sending targeted communications to previous attenders, promoting similarly-themed films to what they have come to see previously.
- Sending regular newsletters to CineCard holders and 15-25 Card holders, and introducing exclusive offers for those specific audience groups.
- Creating multi-buy discount offers for seasons of particular themes or directors' work.
- Printing on average 15,000 brochures a month, distributed throughout Glasgow arts venues, libraries and coffee shops.
- Maximizing engagement opportunities in venue by the addition of a new BSL and captioned welcome video.

Nurturing new diverse audiences:

- We revitalised our Video On Demand offer, by pursuing a partnership with established platform, MUBI, who excel at curating a unique, diverse and challenging programme of essential cinema online.
- Through continued specific promotion of accessible programming, further integrated into GFF and GSFF, and highlighted by key awards and press.
- Foregrounding free Take 2 Kids' screenings in brochure and through Facebook ads.
- Highlighting through our newsletters and website when discounted tickets are available for GFT shows.
- Digitally distributing our monthly show times through major searchable listings platforms including Google, IMDB and The List.

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We are also indebted to our partners in the worlds of media and business for facilitating and raising the profile of all that we achieved throughout 2017/18.

Film Hub Scotland

Glasgow Film Theatre secured the contract with the British Film Institute (BFI) from January 2018 to manage and provide cultural leadership to Film Hub Scotland (FHS). Support was also secured from Creative Scotland. FHS is part of the BFI's Film Audience Network and is one of eight Hubs across the UK with the aim of extending film choice, increasing audiences, and enhancing opportunities for audiences across Scotland to deepen their relationship with film. FHS supports a network of over 160 film exhibitors serving Scotland's diverse population. We provide Hub members with a range of funding opportunities, screening programmes, training, networking events and audience research, helping Scotland's exhibitors broaden and deepen their programme and reach to engage with a wide and diverse audience.

Environment

Glasgow Film Theatre applies the same integrated approach that we have with our stakeholders, patrons and local communities to our relationship with the environment, and encourage our business network to join us in this effort. Our vision is to become a leader in environmental culture and to encourage a cultural dialogue that will educate and inspire the local communities and beyond to live sustainably.

In 2017/18 we:

- Continued to invest in extensive internal lighting improvements.
- Achieved a 10% reduction in total waste volume on previous year
- Achieved a 2% increase in on-site recycling rate compared to previous year
- Took part in the UK Green Film Festival
- Programmed a guest event for *Silent Running* with Roger Downie, Glasgow University biologist with interests in environmental conservation;
- Programmed a skype Q&A post screening for *Nenette*, with Michelle Desilets of the Orangutan Land Trust
- Attended The Green Arts Conference: Spotlight on Sustainability
- Attended Zero Waste Consumer Campaigns Workshop
- Attended Waste Minimisation Workshops for SMEs
- Refreshed our Environmental Policy and Sustainable Travel information which can now be found on our website.
- Set up a Bicycle User Group as a step towards achieving the Bicycle friendly employer award.

3. FINANCIAL REVIEW

The figures for the financial year 2017/18 reflect a particularly busy year for Glasgow Film Theatre.

Total income decreased this year from £3,745,709 to £2,890,361. However, included within last year's total was over £1.2million of funding we received towards the completion of our Capital Development project. Once this sum is removed, income has increased by 14% this year. This was largely achieved through a combination of increases in cinema ticket sales, bar operations income and other operating income. The reason for these were due to the fact that 2017/18 was the first full year of operations at following the completion of our building development; our operations and ability to generate income had been directly impacted last year by our restricted opening hours over summer/autumn 2016.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

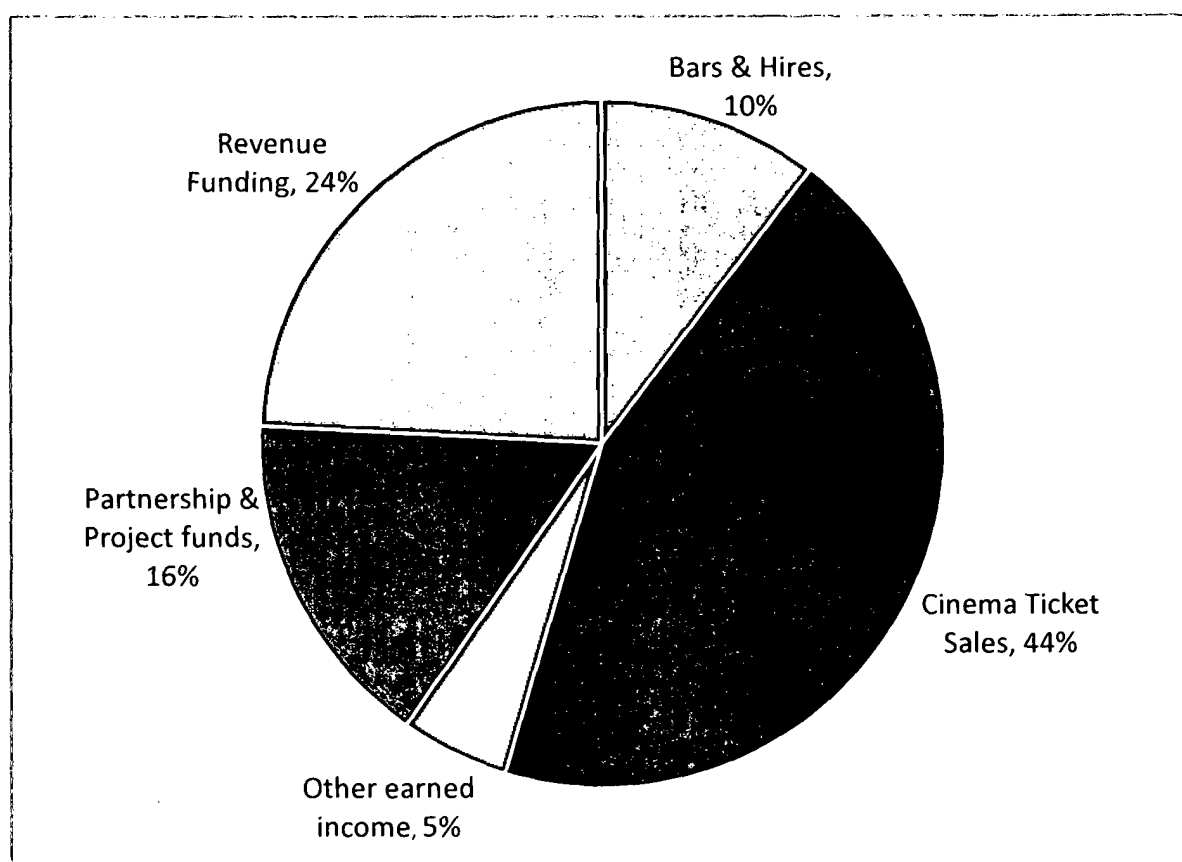
The unrestricted operating deficit of £(120,327) is better than our target set at the start of the year. Once the impact of the depreciation charge of £204,226 is removed, these numbers delivered an increase in our unrestricted reserves over the year.

The £86,752 surplus on restricted activity in the year reflects a timing difference in that monies were received in the current year on projects which will be spent in 2018/19.

This year, there is a positive pension adjustment amounting to £473,000. This is due, in roughly equal part, to healthy growth in asset values and returns, and to remeasurements and changes to key assumptions regarding our pension obligations.

There has therefore been net positive movement in funds in the year of £439,425.

The principal funding sources for Glasgow Film Theatre are shown in the pie chart below:



GFT's financial model is constructed to provide the organisation with both the flexibility and resilience it needs to meet the challenges and respond to opportunities of the dynamic environment in which it operates. The model aims to achieve growth in income whilst maintaining key margins.

GFT's income portfolio is varied. Self-generated income from cinema ticket sales, sales generated by our bars and income from hires and other sources account for 60% of GFT's total turnover this year (the equivalent figure excluding Capital Development funding last year was 55%). GFT recognises that these areas are sensitive to external market forces such as changes in the market place in which it operates and the general economic climate. To maximise earned income streams, GFT monitors performance closely, responding to changes in the market place and listening to its audience and clients. Careful financial controls ensure that costs are maintained within budget.

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Cinema admissions increased year-on-year by 16% to 201,024 (2016/17: 172,751); this exceeded the 196,000 target we set back in April 2017. This increase can largely be attributed to the redevelopment work undertaken through the first half of 2016/17 which restricted our opening times and numbers of screenings. Also contributing to this growth has been GFT's ongoing targeted approach to attracting and developing audiences, strategic marketing and careful curation of its cultural cinema programme.

As always, a strong slate of new releases this year has helped our performance. Again, this highlights that GFT is heavily dependent on the quality of the releases available to us for exhibition. While we can mitigate some way against a lack of popularity or perceived quality of the new product out there, the fact remains that the largest proportion of our admissions comes from new releases.

GFT relies on one-off funds raised through partnership arrangements, project grants and donations to support specific areas of activity that are vital in delivering its charitable objectives. In 2017/18, these sources accounted for 16% of GFT's total turnover and totalled over £464,000. Working in collaboration with a range of partners is key to GFT's operation and partnerships span across several sectors including the cultural, commercial and educational sectors.

GFT continued to actively engage with its regular funders Creative Scotland and Glasgow City Council. 2017/18 was the final year of a three-year funding commitment of GFT's 'Regular Funded Organisation' funding from Creative Scotland as a national cultural provider, and from Glasgow City Council for our work in delivering the local Fairer Communities Programme. Together, their subsidies accounted for 24% of GFT's total turnover (2016/17: 28%, if Capital Development funding is excluded) and provided vital support for GFT's key areas of activity enabling the organisation to progress its business plan and maintain its cultural offer.

GFT has received confirmation of funding for 2018/19 from Glasgow City Council. In addition, Creative Scotland have confirmed that Glasgow Film Theatre will remain a Regular Funded Organisation for the period 2018-2021.

With ever increasing demand from the public and partners, and a growing reputation as a leader in its field, GFT is well positioned for continued growth. However, with increasing competition from new cinemas locally opening in 2018, strong competition for one-off programme funds and the strong likelihood of cuts to local authority funds in the future it is essential that Glasgow Film Theatre continues to maximise its income streams and grasp new opportunities as they arise.

Financial Monitoring

In order to deliver financial stability and minimise risk, GFT's stringent budgeting process ensures that realistic margins and achievable income targets are set. Overhead costs are reviewed annually to ensure that savings are made wherever possible without compromising the quality of the offer. Achievements against financial targets are monitored on a monthly basis through the analysis of detailed management accounts and weekly reports tracking sales and margins.

The use of restricted funds is monitored carefully through separate profit and loss accounts which are set up for the individual projects to which they relate. This ensures that funds are correctly applied and project activity remains within specified budgets.

Cash flow is monitored on a weekly basis and a rolling annual forecast is maintained.

These systems ensure early detection of potential budget and cash flow issues enabling action to be taken quickly and effectively as appropriate to mitigate any likely impact.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Reserves Policy

GFT's reserves form part of the organisation's strategic planning process informing business planning, budget and risk management, ensuring that GFT remains sustainable, has the capacity to manage unforeseen financial circumstances and is able to invest in its future.

In establishing its policy, GFT has considered the day-to-day operational requirements of the charity, the key areas of risk to the business and the need for future investments to improve services and resilience.

GFT holds reserves for the purpose of:

- Meeting the day to day operational requirements of the charity
- Managing variations in cash flow requirements.
- Managing the key areas of risk to the business
- Protecting the charity against the uncertainty of future income streams/costs, including:
- Downturn in cinema ticket sales as a result in quality of films available;
- A decline in unrestricted regular funding from key stakeholders, in particular in-year cuts in public subsidy;
- A decline in revenue from GFT's bars and hires due to adverse trading.
- Requirements for future investment:
- Providing the necessary capital to ensure that GFT is maintained in an excellent state of repair;
- Enabling GFT to undertake new, unplanned activities required to sustain the business;
- Enabling GFT to respond to unexpected opportunities;
- Providing resources to invest in long-term future developments (for example: capital projects, staff capacity).

Current level of reserves

Total funds carried forward at 31 March 2018 are £2,977,356 (2017: £2,537,931). Of this amount, £2,646,760 relates to unrestricted funds, of which £2,087,605 are designated funds, £218,596 relates to restricted funds and £112,000 relates to the surplus as at March 2018 on our pension.

At 31 March 2018, GFT has free reserves of £559,155 (2016: £477,964).

The designated funds balance of £2,087,605 consists of our fixed asset fund being an allocation of depreciation to be charged over the coming years. The main item within the restricted funds is £116,000 which is in relation to the capital development funding from Creative Scotland and LandTrust received in 2013/14 which carries a continuing restriction.

Future targets

In establishing the level of reserves appropriate to its business, GFT has considered:

- Forecast levels of income and expenditure for the coming years as projected in its business plan;
- The obligations and operational requirements of the charity and the likelihood and consequences of these requirements not being met;
- The likelihood and financial impact of key areas of risk on the business;
- The future developmental needs of the business.

The amount deemed appropriate to meet the day-to-day operational requirement of the charity and protect the charity against the uncertainty of future income streams is around 25% of turnover.

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This translates to a current target of around £700,000 for our General Fund. We are aiming to achieve our target for General Fund reserves within the next two to three years.

GFT currently has no funds held in reserve specifically for future investment. The ability to make strategic investments and maximise opportunity is key if GFT is to continue to move forward and increase its sustainability.

To this end, GFT continues to develop plans for future development and investment. This includes business critical capital investments within the next three years in technical equipment and replacement seating in Cinemas 1 and 2 to make the organisation more resilient and sustainable, financially and environmentally.

GFT reserves policy is reviewed annually by the Trustees as part of the organisation's strategic planning process

Risk Management

GFT recognises that it is not possible to avoid risk if the organisation is to develop, innovate and grow. GFT's risk register outlines and assesses the major risks which GFT faces in delivering its development programme and the actions required in order to minimise the impact of a risk should it materialise.

GFT's risk management strategy involves maintaining:

- procedures to effectively reduce identified risks;
- procedures to ensure early detection of identified risks;
- procedures to minimise the impact on the organisation should identified risks materialise;
- an annual review of the risks facing the organisation.

The major risks to GFT are the effect of the current economic situation on its trading and the threat of a reduction to future public subsidy.

We closely observe our trading patterns on a daily basis to be alert to any changes caused by the economic situation and surveys its beneficiaries on a frequent basis. At present, there has been no negative impact detected. The charity has devised contingency plans to alter its marketing activities should such circumstance transpire.

GFT has long recognised and prioritised the need to reduce its dependency on revenue funds and so the projected risks come as no surprise and sit well with the charity's existing business planning which seeks to increase its trading incomes and fundraising capacity for such eventuality.

The Trustees consider that adequate controls are in place to mitigate the key risks identified.

4. PLANS FOR FUTURE PERIODS

As the organisation continues to respond to internal and external change, we will continue to monitor the organisational review undertaken in 2015-16 and the governance review in 2016-17 to ensure that we remain robust and fit for purpose.

In the coming year Glasgow Film Theatre will continue to undertake activities to grow and develop the organisation in line with its Business Plan.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The headline priorities are:

- Improve the effectiveness of our strategy to engage new young audiences (under 25) from all areas of Glasgow.
- Develop audiences across Scotland for British independent and world cinema through leadership of the BFI Film Hub Scotland.
- Shape Scottish strategies to support independent distribution and exhibition.
- Increase the engagement of people who are D/deaf and hard or hearing and with disabilities.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Glasgow Film Theatre Limited (GFT) was established in May 1974 by the Scottish Film Council. In 1986 GFT became a registered charity, and an independent company limited by guarantee. GFT is governed by its memorandum and articles of association dated 18 February 1986. The organisation is governed by a Board of trustees, who are also Directors of the company, and run on a day-to-day basis by a Senior Management Team, and the Executive Team headed by the Chief Executive. The Senior Management Team is responsible for all operational matters and decisions. All major policy decisions are ratified by the Board of Directors.

The Board has overall responsibility for the organisation's resources and ensuring its financial wellbeing. All members of the Board are non-executive.

As set out in the articles of association, new trustees are appointed by the Board and may serve for a period of three years, after which period there is the possibility of re-appointment for a further period of up to three years. Glasgow City Council nominated trustees (two) have no defined term of office. Appointments to the Board are made by the trustees, advised by a Board Search Committee. The Board elects the Chair.

During the year, there were a number of changes to the Board due to retirements and corresponding appointments. New trustees are selected using a formal recruitment process and a detailed skills audit to identify existing and imminent skills gaps within the Board. Potential members are invited to attend Board meetings as observers for a short period of time. All new trustees undergo an induction process led by the Chair and the Chief Executive. This induction combines governance responsibilities, legal obligations of directors under company and charity law, constitution etc as well as an overview of the organisation's programme of activities. GFT's Board of Trustees are voluntary and receive no remuneration.

The Board of Directors administers the charity. In addition, a Finance and Audit Committee maintains an overview of the finances of the organisation. This group comprises representatives from the Board, the Chief Executive, the Finance/Commercial Director and the Programme Director.

The Board critically examines the organisation's strategy, budget and business plan each year and meets at least four times a year to review performance, key business issues and initiatives. The Chief Executive is responsible for developing and implementing business strategy and processes and with the Executive Team and the Senior Managers Team, for the day-to-day management of the organisation.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

The remuneration of the charity's staff is reviewed by the Finance and Audit Committee annually. We aspire to pay the market rate as benchmarked with charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

A register of directors' interests is maintained and as at the date of signing there were no directors who had a conflicting interest.

The Board is supported by three sub committees.

The Finance and Audit Committee meets four times a year and exists to:

- Oversee the external audit process and internal audit function.
- Review the internal financial and non-financial control environment.
- Review the ongoing financial performance of the organisation, through consideration of all budgets, forecasts, management accounts and the annual financial statements.
- Ensure the regular review of all financial policies, procedures, protocols and systems.

The Development Committee meets as required in line with major building development projects. The Committee exists to:

- To oversee and review delivery of development projects in line with the stated objectives and project plans.

The Board Search Committee meets annually and exists to:

- Establish a framework for the selection of trustees and maintain a skills inventory of the Board.

Related parties

GFT together with three other leading Scottish cultural cinemas, namely the Centre for Moving Image (CMI), Dundee Contemporary Arts (DCA), and Eden Court Theatre and Cinema form Scottish Film Limited. The Chief Executive, representing the interests of Glasgow Film Theatre, is a Director of Scottish Film.

The following are the high level goals Scottish Film believes Scotland should aspire to:

- develop Scotland as the most progressive film nation in the world;
- ensure every community in Scotland has access to the cinema experience;
- ensure that every schoolchild has access to film education learning experiences;
- create a critical mass of production activity that will sustain the development of talent, businesses and audiences.

In support of these goals, Scottish Film established two programmes, with support from Creative Scotland and the British Film Institute, namely Film Hub Scotland (part of the BFI's UK-wide Film Audience Network) and Scottish Film Education. Management responsibility of Film Hub Scotland ceased to be contracted to Scottish Film on 31 December 2017, with Glasgow Film Theatre taking over sole responsibility for Film Hub Scotland on 1 January 2018.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Connected Charities

The organisation works in collaboration with other charitable organisations – such as other film venues and educational institutions – on specific projects and initiatives. It also receives funding from various charitable trusts and foundations.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also the directors of The Glasgow Film Theatre for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to Auditor

In so far as the Trustees are aware:

- there is no relevant information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to small companies' exemption.

Approved by the Trustees on 7 August 2018, and signed on their behalf by:

Name:


Denise Milha

THE GLASGOW FILM THEATRE
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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE GLASGOW FILM THEATRE FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of The Glasgow Film Theatre (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018, and of its incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE GLASGOW FILM THEATRE FOR THE YEAR ENDED 31 MARCH 2018

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the trustees, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report of the directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the report of the directors and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE GLASGOW FILM THEATRE FOR THE YEAR ENDED 31 MARCH 2018

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wylie & Bisset ✓

Jenny Simpson (Senior Statutory Auditor)
For and on behalf on Wylie & Bisset LLP, Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

7 August 2018

THE GLASGOW FILM THEATRE
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018

(Including an Income and Expenditure account)

| | Note | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Pension 2018 £ | Total Funds 2018 £ | Unrestricted Funds 2017 £ | Restricted Funds 2017 £ | Pension 2017 £ | Total Funds 2017 £ |
|---|-----------|------------------------------------|----------------------------------|----------------------|-----------------------------|------------------------------------|----------------------------------|----------------------|-----------------------------|
| Income and endowments from: | | | | | | | | | |
| Donations and legacies | 4 | 679,000 | - | - | 679,000 | 679,000 | 1,206,312 | - | 1,885,312 |
| Charitable activities | 5 | 1,195,296 | 462,032 | - | 1,657,328 | 1,005,765 | 298,955 | - | 1,304,720 |
| Other trading activities | 6 | 553,557 | - | - | 553,557 | 545,038 | - | - | 545,038 |
| Investments | 7 | 476 | - | - | 476 | 639 | - | 10,000 | 10,639 |
| Total Income | | 2,428,329 | 462,032 | - | 2,890,361 | 2,230,442 | 1,505,267 | 10,000 | 3,745,709 |
| Expenditure on: | | | | | | | | | |
| Raising funds | | | | | | | | | |
| Raising donations & legacies | 9 | 67,528 | - | - | 67,528 | 60,392 | - | - | 60,392 |
| Other trading activities | 10 | 244,017 | - | - | 244,017 | 170,323 | - | - | 170,323 |
| Charitable activities | 12 | 2,237,111 | 375,280 | - | 2,612,391 | 2,068,345 | 310,818 | - | 2,379,163 |
| Other expenditure | 13 | - | - | 16,000 | 16,000 | - | - | 6,000 | 6,000 |
| Total Expenditure | | 2,548,656 | 375,280 | 16,000 | 2,939,936 | 2,299,060 | 310,818 | 6,000 | 2,615,878 |
| Net (expenditure) / income for the year | | (120,327) | 86,752 | (16,000) | (49,575) | (68,618) | 1,194,449 | 4,000 | 1,129,831 |
| Transfers between funds | | - | - | - | - | 1,229,953 | (1,229,953) | - | - |
| | | | | | | 1,161,335 | (35,504) | 4,000 | 1,129,831 |
| Other recognised gains / (losses) | | | | | | | | | |
| Actuarial gains / (losses) on defined benefit pension schemes | | - | - | 489,000 | 489,000 | - | - | (174,000) | (174,000) |
| Net movement in funds | | (120,327) | 86,752 | 473,000 | 439,425 | 1,161,335 | (35,504) | (170,000) | 955,831 |
| Funds reconciliation | | | | | | | | | |
| Total Funds brought forward | 24 | 2,767,087 | 131,844 | (361,000) | 2,537,931 | 1,605,752 | 167,348 | (191,000) | 1,582,100 |
| Total Funds carried forward | 24 | 2,646,760 | 218,596 | 112,000 | 2,977,356 | 2,767,087 | 131,844 | (361,000) | 2,537,931 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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BALANCE SHEET AS AT 31 MARCH 2018

| | | 2018 | 2017 |
|---|------|------------------|------------------|
| | Note | £ | £ |
| Fixed assets: | | | |
| Tangible assets | 16 | 2,723,083 | 2,834,728 |
| Intangible assets | 17 | 29,510 | 41,314 |
| Total Fixed Assets | | <u>2,752,593</u> | <u>2,876,042</u> |
| Current assets: | | | |
| Stocks | 18 | 9,759 | 11,237 |
| Debtors | 20 | 87,723 | 134,878 |
| Cash at bank and in hand | | 856,144 | 700,791 |
| Total Current Assets | | <u>953,626</u> | <u>846,906</u> |
| Liabilities: | | | |
| Creditors falling due within one year | 21 | (345,246) | (304,539) |
| Net Current assets | | <u>608,380</u> | <u>542,367</u> |
| Creditors falling due after one year | 23 | (495,617) | (519,478) |
| Net assets excluding pension asset / (liability) | | <u>2,865,356</u> | <u>2,898,931</u> |
| Defined benefit pension scheme asset / (liability) | 28 | 112,000 | (361,000) |
| Net assets | | <u>2,977,356</u> | <u>2,537,931</u> |
| The funds of the charity: | | | |
| General Funds | | 559,155 | 477,964 |
| Designated Funds | | 2,087,605 | 2,289,123 |
| Total Unrestricted Funds | | <u>2,646,760</u> | <u>2,767,087</u> |
| Restricted Funds | | 218,596 | 131,844 |
| Pension Reserve | | 112,000 | (361,000) |
| Total charity funds | 24 | <u>2,977,356</u> | <u>2,537,931</u> |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the Trustees and signed on their behalf.

Name: 
Denise Milner

Date: 7 August 2018
Company No: SC005932

Name: 
Bruce Malcolm

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2018

| | Note | Total Funds 2018 £ | Prior Year 2017 £ |
|---|------|-----------------------------|----------------------------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 26 | 288,457 | 1,350,784 |
| | | <hr/> | <hr/> |
| | | 288,457 | 1,350,784 |
| Cash flows from investing activities: | | | |
| Interest received | | 476 | 639 |
| Interest paid | | (18,122) | (15,473) |
| Purchase of property, plant and equipment | | (92,581) | (1,651,736) |
| Purchase of intangible assets | | - | (47,216) |
| | | <hr/> | <hr/> |
| Net cash (used in) investing activities | | (110,227) | (1,713,786) |
| Cash flows from financing activities: | | | |
| New long term loans | | - | 565,000 |
| Repayment of long term loans | | (22,877) | (18,145) |
| | | <hr/> | <hr/> |
| Net cash (used in) / provided by financing activities | | (22,877) | 542,355 |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 155,353 | 179,353 |
| Cash and cash equivalents brought forward | 27 | 700,791 | 521,438 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents carried forward | 27 | 856,144 | 700,791 |
| | | <hr/> | <hr/> |

THE GLASGOW FILM THEATRE
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The charity's presentation currency is sterling and amounts in the financial statements are rounded to the nearest £.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 24

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met (see note 22).

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprise the costs of commercial trading including development wages and salaries;
- Expenditure on charitable activities includes wages & salaries, programme costs and other activities undertaken to further the purposes of the charity and their associated support costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Refer to the Report of the Trustees for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the time spent by staff members. The allocation of support and governance costs is analysed in note 11.

(g) Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

| | Basis |
|-----------------------|---------------------|
| Heritable Property | 5% on cost |
| Fixtures and fittings | 10% / 12.5% on cost |

(h) Intangible fixed assets

Website development costs are capitalised and amortised over a useful life of 4 years.

(i) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE GLASGOW FILM THEATRE
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Pensions

The company operates a defined contribution pension scheme and the pension charge in the statement of financial activities represents the amounts payable by the company to the fund in respect of the year.

The company also operates a defined benefit pension scheme. In accordance with the Financial Reporting Standard 102, the operating and financing costs of defined benefit plans are recognised separately in the statement of financial activities: service costs are systematically spread over the service lives of employees, and financing costs are recognised in the periods in which they arise.

(n) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(o) Operating leases

The charity classifies the lease of printing, specialist lighting and audio equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced every 5 years whilst the economic life of such equipment is normally 10 years. Rental charges are charged on a straight line basis over the term of the lease.

(p) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE GLASGOW FILM THEATRE
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

2. Legal status of the Charity

The charity is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3. Related party transactions and trustees' expenses and remuneration

No Trustees received any remuneration during the year (2017: £Nil). Trustees are not entitled to claim expenses. All trustees were given an annual pass allowing them free entry to the cinema during the year, which thus allows them to discharge their responsibilities to actively engage in the work of the charity.

Due to the nature of the company's operations and the composition of its Board of Directors it is inevitable that transactions will take place with companies or other organisations in which a Director may have an interest. All transactions involving companies or organisations in which a Director may have an interest are conducted at arm's length and in accordance with normal project and programme rules. Directors are not permitted to participate in discussions on transactions involving their related business.

Glasgow Film Theatre controls 20% of Scottish Film. During the year Glasgow Film Theatre invoiced Scottish Film for £15,220 (2017: £35,960). Included within trade debtors is a balance of £193 (2017: £5,360) due from Scottish Film at the year end.

4. Income from donations and legacies

| | 2018 | 2017 |
|----------------|----------------|------------------|
| | £ | £ |
| General grants | 679,000 | 679,000 |
| Capital grants | - | 1,206,312 |
| | <u>679,000</u> | <u>1,885,312</u> |

5. Income from charitable activities

| | 2018 | 2017 |
|----------------------------|------------------|------------------|
| | £ | £ |
| GFT | 1,263,633 | 917,853 |
| GFF (including GSFF) | 305,445 | 307,120 |
| Education (including GYFF) | 88,250 | 79,747 |
| | <u>1,657,328</u> | <u>1,304,720</u> |

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

6. Income from other trading activities

| | 2018 | 2017 |
|-------------------|----------------|----------------|
| | £ | £ |
| Bar operations | 256,376 | 175,233 |
| Premises income | 47,964 | 34,659 |
| Sponsorship – GFT | 99,258 | 150,440 |
| Sponsorship – GFF | 149,917 | 184,511 |
| Bookshop Sales | 42 | 195 |
| | <u>553,557</u> | <u>545,038</u> |

7. Investment income

| | 2018 | 2017 |
|---------------------------|-------------|---------------|
| | £ | £ |
| Interest on cash deposits | 476 | 639 |
| Net Service Cost | - | 10,000 |
| | <u>476</u> | <u>10,639</u> |

8. Government grants

| | 2018 | 2017 |
|---|----------------|------------------|
| | £ | £ |
| Glasgow City Council | 76,770 | 497,500 |
| Glasgow Life (formerly Glasgow City Marketing Bureau) | 81,500 | 81,150 |
| Creative Scotland | 634,000 | 1,230,854 |
| VisitScotland | 31,000 | 39,400 |
| Big Lottery | 9,075 | - |
| Scottish Enterprise | - | 5,000 |
| Police Scotland | - | 2,500 |
| Creative Skillset | - | 19,835 |
| Skills Development Scotland | - | 8,000 |
| | <u>832,345</u> | <u>1,884,239</u> |

Glasgow City Council provide grant funding for general running costs and towards a programme of education and community events.

Glasgow Life (formerly Glasgow City Marketing Bureau) provided funding for the GFF pioneer strand and event support for the Glasgow Film Festival.

Creative Scotland provided funding for general running costs of the Glasgow Film Theatre as well as support for all of our Festivals.

VisitScotland and Arts & Business Scotland provided funding towards the costs of the Glasgow Film Festival.

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

8. Government grants (continued)

Scottish Enterprise provided funding towards the development of our online streaming and curation services.

Police Scotland provided funding to support one special community event at Glasgow Film Festival involving the screening of the film "The Wee Govan Pipers".

Creative Skillset and Skills Development Scotland provided funding to assist with our 3-month Future Producer training programme to develop the next generation of feature film producers.

9. Raising funds – expenditure on raising donations and legacies

| | Direct Costs £ | Support Costs £ | Total 2018 £ | Total 2017 £ |
|-------------------|-------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Development staff | 52,771 | 14,757 | 67,528 | 60,392 |
| | <u>52,771</u> | <u>14,757</u> | <u>67,528</u> | <u>60,392</u> |

10. Raising funds – expenditure on other trading activities

| | Direct Costs £ | Support Costs £ | Total 2018 £ | Total 2017 £ |
|----------------------|-------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Bar Café | 197,508 | 46,510 | 244,017 | 170,178 |
| Bookshop/merchandise | - | - | - | 145 |
| | <u>197,508</u> | <u>46,510</u> | <u>244,017</u> | <u>170,323</u> |

11. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

| Cost type | Total allocated £ | Raising Funds £ | GFT £ | GFF £ | Education £ | Bar Café £ | Governance £ | Basis of apportionment |
|---|----------------------------------|--------------------------------|------------------|------------------|------------------------|-----------------------|-------------------------|-----------------------------------|
| Salary costs | 919,311 | - | 611,669 | 176,298 | 72,511 | 24,729 | 34,104 | Time spent |
| Marketing | 62,753 | 1,883 | 52,711 | 3,138 | 3,138 | 1,883 | - | Time spent |
| Overheads | 164,546 | 4,936 | 102,019 | 32,909 | 13,164 | 4,936 | 6,582 | Time spent |
| Depreciation | 216,030 | 6,481 | 133,939 | 43,206 | 17,282 | 6,481 | 8,641 | Time spent |
| Postage, stationary, telephone etc. | 44,259 | 1,328 | 26,555 | 11,507 | 3,098 | - | 1,771 | Time spent |
| Bank charges | 66,920 | - | 43,498 | 13,384 | 3,346 | 6,692 | - | Time spent |
| Travel/ subsistence | 6,464 | 129 | 5,688 | 259 | 129 | 259 | - | Time spent |
| Royalties/ licenses | 16,894 | - | 11,150 | 4,561 | 1,183 | - | - | Time spent |
| Total | <u>1,497,177</u> | <u>14,757</u> | <u>987,229</u> | <u>285,262</u> | <u>113,851</u> | <u>44,980</u> | <u>51,098</u> | <i>Time spent</i> |

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

11. Allocation of government and support costs (continued)

| | 2018 | 2017 |
|---------------------|---------------|---------------|
| | £ | £ |
| Governance costs: | | |
| Board meeting costs | - | 1,800 |
| Audit fees | 3,665 | 5,986 |
| Support costs | 51,098 | 51,129 |
| | <u>54,763</u> | <u>58,915</u> |

| Allocation of governance and other support costs: | Support | Governance | 2018 | 2017 |
|---|------------------|-------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Raising funds | 14,757 | - | 14,757 | 12,723 |
| GFT | 987,229 | 37,841 | 1,025,070 | 946,559 |
| GFF | 285,262 | 10,907 | 296,169 | 282,940 |
| Education | 113,851 | 4,486 | 118,337 | 115,570 |
| Bar Café | 44,981 | 1,529 | 46,510 | 41,283 |
| Total allocated | <u>1,446,080</u> | <u>54,763</u> | <u>1,500,843</u> | <u>1,399,075</u> |

12. Analysis of expenditure on charitable activities

| | GFT | GFF | Education | 2018 | 2017 |
|-------------------|------------------|----------------|------------------|------------------|------------------|
| | £ | £ | £ | Total | Total |
| | £ | £ | £ | £ | £ |
| Programme costs | 500,832 | 330,810 | 109,854 | 941,496 | 841,442 |
| Promotional costs | 436 | 132,909 | - | 133,345 | 126,321 |
| Research costs | 8,137 | 350 | - | 8,487 | 10,222 |
| General | 6,558 | 82,183 | 747 | 89,488 | 56,109 |
| Expenses | | | | | |
| Governance costs | 37,841 | 10,907 | 4,486 | 53,233 | 57,371 |
| Support costs | 987,229 | 285,262 | 113,851 | 1,386,342 | 1,287,698 |
| | <u>1,541,033</u> | <u>842,421</u> | <u>228,938</u> | <u>2,612,391</u> | <u>2,379,163</u> |

13. Other expenditure

| | Direct | Support | Total | Total |
|------------------------|---------------|----------------|---------------|--------------|
| | Costs | Costs | 2018 | 2017 |
| | £ | £ | £ | £ |
| Loss on pension assets | 16,000 | - | 16,000 | 6,000 |
| | <u>16,000</u> | <u>-</u> | <u>16,000</u> | <u>6,000</u> |

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

14. Analysis of staff costs and remuneration of key management personnel

| | 2018 | 2017 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Salaries and wages | 1,046,791 | 957,006 |
| Social security costs | 83,346 | 76,770 |
| Other pension costs | 73,442 | 71,248 |
| Current service costs (Note 28) | (36,000) | (10,000) |
| Total staff costs | <u>1,167,579</u> | <u>1,095,024</u> |

| | | |
|---------------------------------------|----------------|----------------|
| Key Management Personnel remuneration | <u>180,153</u> | <u>170,166</u> |
|---------------------------------------|----------------|----------------|

The Trustees are not in a position to disclose the benefit to key management personnel from the actuarial movement in the pension, as in the Trustees' opinion, the charge by the actuaries to obtain the information was disproportionate to the benefit to the reader. The trustees did not consider that this was reasonable use of charitable funds.

The number of employees whose employee benefits fell within the following bands are as follows:

| | 2018 | 2017 |
|-------------------|-------------|-------------|
| | £ | £ |
| £60,000 - £70,000 | <u>1</u> | <u>1</u> |

| | 2018 | 2017 |
|--|-------------|-------------|
| | No. | No. |
| The average weekly number of persons, by headcount, employed by the charity during the year was: | <u>57</u> | <u>52</u> |

15. Net income/(expenditure) for the year

| | | |
|-------------------------------------|--------------|--------------|
| This is stated after charging: | 2018 | 2017 |
| | £ | £ |
| Amortisation | 11,804 | 5,902 |
| Depreciation | 204,226 | 178,929 |
| Auditor's remuneration – Audit Fees | <u>3,665</u> | <u>5,986</u> |

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

16. Tangible Fixed Assets

| | Heritable Property £ | Plant and Equipment £ | Total £ |
|--------------------------|-------------------------------------|--------------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 April 2017 | 4,177,541 | 1,111,081 | 5,288,622 |
| Additions | 78,973 | 13,608 | 92,581 |
| Disposals | - | - | - |
| At 31 March 2018 | <u>4,256,514</u> | <u>1,124,689</u> | <u>5,381,203</u> |
| Depreciation | | | |
| At 1 April 2017 | 1,608,673 | 845,221 | 2,453,894 |
| Charge for the year | 157,131 | 47,095 | 204,226 |
| Eliminated on disposals | - | - | - |
| At 31 March 2018 | <u>1,765,804</u> | <u>892,316</u> | <u>2,658,120</u> |
| Net book value | | | |
| At 31 March 2017 | <u>2,568,868</u> | <u>265,860</u> | <u>2,834,728</u> |
| At 31 March 2018 | <u>2,490,710</u> | <u>232,373</u> | <u>2,723,083</u> |

17. Intangible Fixed Assets

| | Website £ | Total £ |
|--------------------------|----------------------|--------------------|
| Cost or valuation | | |
| At 1 April 2017 | 47,216 | 47,216 |
| Additions | - | - |
| Disposals | - | - |
| At 31 March 2018 | <u>47,216</u> | <u>47,216</u> |
| Amortisation | | |
| At 1 April 2017 | 5,902 | 5,902 |
| Charge for the year | 11,804 | 11,804 |
| Eliminated on disposals | - | - |
| At 31 March 2018 | <u>17,706</u> | <u>17,706</u> |
| Net book value | | |
| At 31 March 2017 | <u>41,314</u> | <u>41,314</u> |
| At 31 March 2018 | <u>29,510</u> | <u>29,510</u> |

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

18. Stock

| | 2018 | 2017 |
|-----------------------|--------------|---------------|
| | £ | £ |
| Bar Stock | 8,498 | 9,793 |
| Stationery & Cleaning | 1,261 | 1,444 |
| | <u>9,759</u> | <u>11,237</u> |

19. Investments

The charity controls 25% (2017: 25%) of Scottish Film, a company limited by guarantee, which was incorporated on 22 May 2014.

The assets and liabilities of the joint venture were:

| | As at 31 March 2018 |
|---------------------|--------------------------------|
| | £ |
| Current assets | 105,771 |
| Current liabilities | <u>(105,771)</u> |
| Net assets | <u>-</u> |

20. Debtors

| | 2018 | 2017 |
|---------------|---------------|----------------|
| | £ | £ |
| Trade debtors | 19,832 | 28,111 |
| Other debtors | 67,891 | 106,767 |
| | <u>87,723</u> | <u>134,878</u> |

21. Creditors: amounts falling due within one year

| | 2018 | 2017 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Loans | 23,861 | 22,877 |
| Trade creditors | 91,339 | 70,281 |
| Other creditors and accruals | 150,414 | 148,831 |
| Deferred income (Note 22) | 14,062 | 15,437 |
| Taxation and social security costs | 65,570 | 47,113 |
| | <u>345,246</u> | <u>304,539</u> |

THE GLASGOW FILM THEATRE
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

22. Deferred income

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Balance as at 1 April 2017 | 15,437 | 14,108 |
| Amount released to income earned from charitable activities | (15,437) | (14,108) |
| Amount deferred in year | 14,062 | 15,437 |
| Balance as at 31 March 2018 | 14,062 | 15,437 |

Deferred income comprises advance box office ticket sales.

23. Creditors: amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|----------------------|-----------|-----------|
| Loan | 495,617 | 519,478 |
| | 495,617 | 519,478 |
| Analysed as: | | |
| Within 1-2 years | 24,898 | 23,861 |
| Within 2-5 years | 96,109 | 78,028 |
| In more than 5 years | 374,610 | 417,589 |
| | 495,617 | 519,478 |

The loans are secured by a standard security over the assets of the charity.

24. Analysis of Charitable Funds

| Analysis of Fund movements | 2016 Balance b/fwd £ | Income £ | Expenditure £ | Transfers £ | Gains/ (Losses) £ | 2017 Fund c/fwd £ |
|---------------------------------|-------------------------------|-------------|------------------|----------------|-------------------------|----------------------------|
| Unrestricted funds | | | | | | |
| Fixed asset fund | 1,208,768 | - | 171,679 | 1,132,034 | - | 2,169,123 |
| Seat Sponsorship | 21,394 | - | - | (21,394) | - | - |
| Building Development | - | - | - | 120,000 | - | 120,000 |
| Total designated funds | 1,230,162 | - | 171,679 | 1,230,640 | - | 2,289,123 |
| General funds | 375,590 | 2,230,442 | 2,127,381 | (687) | - | 477,964 |
| | 1,605,752 | 2,230,442 | 2,299,060 | 1,229,953 | - | 2,767,087 |
| Pension fund | (191,000) | 10,000 | 6,000 | - | (174,000) | (361,000) |
| Total unrestricted funds | 1,414,752 | 2,240,442 | 2,305,060 | 1,229,953 | (174,000) | 2,406,087 |
| Restricted funds | | | | | | |
| GFF | 2,631 | 234,350 | 236,981 | - | - | - |
| GSFF | - | 11,829 | 11,829 | - | - | - |
| Education | 24,837 | 38,515 | 54,758 | - | - | 8,594 |
| Special Events | - | - | - | - | - | - |
| Individual Giving | 9,380 | 14,261 | - | (23,641) | - | - |
| Capital Development | | | | | | |
| - Phase 1 | 130,500 | - | 7,250 | - | - | 123,250 |
| Capital Development | | | | | | |
| - Phase 2 | - | 1,206,312 | - | (1,206,312) | - | - |
| Total restricted funds | 167,348 | 1,505,267 | 310,818 | (1,229,953) | - | 131,844 |
| TOTAL FUNDS | 1,582,100 | 3,745,709 | 2,615,878 | - | (174,000) | 2,537,931 |

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

24. Analysis of charitable funds (continued)

| Analysis of Fund movements | 2017 Balance b/fwd £ | Income £ | Expenditure £ | Transfers £ | Gains/ (Losses) £ | 2018 Fund c/fwd £ |
|----------------------------------|-------------------------------|-------------|------------------|----------------|-------------------------|----------------------------|
| Unrestricted funds | | | | | | |
| Fixed asset fund | 2,169,123 | - | 196,976 | 115,458 | - | 2,087,605 |
| Building Development | 120,000 | - | - | (120,000) | - | - |
| Total designated funds | 2,289,123 | - | 196,976 | (4,542) | - | 2,087,605 |
| General funds | 477,964 | 2,428,329 | 2,351,680 | 4,542 | - | 559,155 |
| | 2,767,087 | 2,428,329 | 2,548,656 | - | - | 2,646,760 |
| Pension fund | (361,000) | - | 16,000 | - | 489,000 | 112,000 |
| Total unrestricted funds | 2,406,087 | 2,428,329 | 2,564,656 | - | 489,000 | 2,758,760 |
| Restricted funds | | | | | | |
| GFF | - | 230,875 | 228,475 | - | - | 2,400 |
| GSFF | - | 11,600 | 11,600 | - | - | - |
| Education | 8,594 | 87,760 | 73,666 | - | - | 22,688 |
| GFT | - | 131,797 | 54,289 | - | - | 77,508 |
| Capital Development – Phase 1 | 123,250 | - | 7,250 | - | - | 116,000 |
| Total restricted funds | 131,844 | 462,032 | 375,280 | - | - | 218,596 |
| TOTAL FUNDS | 2,537,931 | 2,890,361 | 2,939,936 | - | 489,000 | 2,977,356 |

- a) The unrestricted funds are available to be spent for any of the purposes of the charity. The fixed asset fund reflects the funds tied up in the net book value of the fixed assets.

In 2016, amounts collected in the previous two years as part of a Seat Dedication scheme were put towards the second phase of our building development.

On 31 March 2017, we set aside £120,000 for final work in Cinema 1 to be undertaken in the first quarter of 2017/18 to complete our building development project. This was fully utilised in the year 2017/18.

- b) Restricted funds comprise the following:

A total of £230,875 (2017: £234,350) was received from Glasgow Life, Event Scotland, Creative Scotland, the British Film Institute and various other Trusts and Foundations to support specific events and activities that were part of the Glasgow Film Festival.

THE GLASGOW FILM THEATRE

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

24. Analysis of charitable funds (continued)

Glasgow Short Film Festival received £11,600 (2017: £11,829) in various forms of grant funding in support of the festival.

GFT Education and Engagement received £87,760 in the year (2017: £38,515). There are three significant components of this total: (1) £35,000 (2017: £31,000) from the Ragdoll Foundation and Scottish Film Education in respect of our Dramatic Enquiry programme which was delivered to schools throughout Scotland, (2) £25,044 from the Life Changes Trust in respect of our monthly 'Movie Memories' programme, an innovative dementia friendly film initiative presenting classic and contemporary film screenings, (3) £17,466 from The Royal Bank of Scotland's Skills and Opportunities Fund in respect of our Mantle of the Expert programme which was also delivered to schools in Glasgow.

GFT received £131,797 in the final quarter in respect of its work managing Film Hub Scotland. Within this sum, £68,853 was the amount transferred over to GFT as being carried forward at 31 December 2017 when responsibility for Film Hub Scotland passed from Scottish Film Limited to GFT. In addition, £57,000 was received from the British Film Institute as part of its regular support funding of the Film Hub network.

The prior year comparatives show an amount of £14,261 as having been received in 2016/17. This was in respect of the Individual Giving campaign which we launched in late-2015 in order to generate funds and interest in our Capital Development work from the general public. Our prior year numbers also show that GFT received £1,206,312 from funders towards Phase II of our Capital Development; this total consisted of £592,312 from Creative Scotland, £130,000 from Resilient Scotland and £53,500 from LandTrust.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

25. Net assets over funds

As at 31 March 2018

| | Unrestricted Funds £ | Restricted Funds £ | Pension Scheme Asset £ | Total 2018 £ |
|-----------------------|-------------------------------------|-----------------------------------|---|-----------------------------|
| Fixed assets | 2,636,593 | 116,000 | - | 2,752,593 |
| Stock | 9,759 | - | - | 9,759 |
| Debtors | 87,723 | - | - | 87,723 |
| Cash | 753,548 | 102,596 | - | 856,144 |
| Current liabilities | (345,246) | - | - | (345,246) |
| Long Term Liabilities | (495,617) | - | - | (495,617) |
| Pension | - | - | 112,000 | 112,000 |
| | <u>2,646,760</u> | <u>218,596</u> | <u>112,000</u> | <u>2,977,356</u> |

As at 31 March 2017

| | Unrestricted Funds £ | Restricted Funds £ | Pension Scheme Liability £ | Total 2017 £ |
|-----------------------|-------------------------------------|-----------------------------------|---|-----------------------------|
| Fixed assets | 2,752,792 | 123,250 | - | 2,876,042 |
| Stock | 11,237 | - | - | 11,237 |
| Debtors | 134,878 | - | - | 134,878 |
| Cash | 692,197 | 8,594 | - | 700,791 |
| Current liabilities | (304,539) | - | - | (304,539) |
| Long Term Liabilities | (519,478) | - | - | (519,478) |
| Pension | - | - | (361,000) | (361,000) |
| | <u>2,767,087</u> | <u>131,844</u> | <u>(361,000)</u> | <u>2,537,931</u> |

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

26. Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | 2018 | 2017 |
|--|----------------|------------------|
| | £ | £ |
| Net income/(expenditure) for the year (as per the Statement of Financial Activities) | 439,425 | 955,831 |
| Adjustments for: | | |
| Interest received | (476) | (639) |
| Interest paid | 18,122 | 15,473 |
| Depreciation charges | 204,226 | 178,929 |
| Amortisation Charges | 11,804 | 5,902 |
| Decrease/(increase) in stocks | 1,478 | (541) |
| Decrease/(increase) in debtors | 47,155 | (17,556) |
| Increase in creditors | 39,723 | 43,385 |
| (Decrease)/increase in pension liability | (473,000) | 170,000 |
| Net cash provided by operating activities | <u>288,457</u> | <u>1,350,784</u> |

27. Analysis of cash and cash equivalents

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Cash in hand | 856,144 | 700,791 |
| Total cash and cash equivalents | <u>856,144</u> | <u>700,791</u> |

28. Pension commitments

The Strathclyde Pension Fund (SPF) is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contributions made for the year ended 31 March 2018 were £80,000, of which employer's contributions totalled £67,000 and employee's contributions totalled £13,000.

The major assumptions made by the actuary in valuing the scheme are as follows:

| | 2018 | 2017 |
|----------------------------------|--------------|--------------|
| | % p.a | % p.a |
| Inflation/ Pension Increase Rate | 2.4 | 2.4 |
| Salary Increase Rate | 3.6 | 4.4 |
| Discount rate | 2.7 | 2.6 |

Life expectancy is based on the Fund's VitaCurves assuming the current rate of improvements has peaked and will converge to long term rates of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

| | Males | Females |
|--------------------|--------------|----------------|
| Current pensioners | 21.4 years | 23.7 years |
| Future pensioners | 23.4 years | 25.8 years |

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

28. Pension commitments (continued)

The net pension liability was:

| | 2018 | 2017 |
|-------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Estimated Employer Assets | 3,379 | 3,194 |
| Present Value of Scheme Liabilities | (3,267) | (3,555) |
| Net Pension Liability | <u>112</u> | <u>(361)</u> |

There are no unfunded liabilities for which provision needs to be made.

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| | 2018 | 2017 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Current service cost | 74 | 55 |
| Past service cost | - | - |
| | <u>74</u> | <u>55</u> |
| Contributions by employer | (67) | (65) |
| Pension service cost provision | <u>7</u> | <u>(10)</u> |

| Reconciliation of fair value of scheme assets: | 2018 | 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Opening fair value of scheme assets | 3,194 | 2,585 |
| Expected Return on Assets | 83 | 91 |
| Contributions by Members | 13 | 12 |
| Contributions by Employer | 67 | 65 |
| Actuarial Gains/(Losses) | 132 | 510 |
| Estimated Benefits Paid | (110) | (69) |
| | <u>3,379</u> | <u>3,194</u> |

Reconciliation of defined benefit obligation:

| | 2018 | 2017 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 3,555 | 2,776 |
| Current Service Cost | 74 | 55 |
| Interest Cost | 92 | 97 |
| Contributions by Members | 13 | 12 |
| Actuarial Losses/(Gains) | (357) | 684 |
| Past Service Costs/(Gains) | - | - |
| Estimated Benefits Paid | (110) | (69) |
| | <u>3,267</u> | <u>3,555</u> |

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

28. Pension commitments (continued)

History of experience gains and losses for the years ended 31 March:

| | 2018 | 2017 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Scheme Assets | 3,379 | 3,194 |
| Defined benefit obligation | (3,267) | (3,555) |
| Deficit | <u>112</u> | <u>(361)</u> |
| Experience adjustments on scheme assets | 132 | 510 |
| Experience adjustments on scheme liabilities | (357) | 684 |
| Analysis of the amount charged to staff costs (Note 14): | 2018 | 2017 |
| | £'000 | £'000 |
| Current Service costs | 74 | 55 |
| Past service cost | - | - |
| Total operating charge | <u>74</u> | <u>55</u> |
| Less: contributions paid | (110) | (65) |
| Current service cost provision | <u>(36)</u> | <u>(10)</u> |
| Amount charged to operating costs: | | |
| Expected Return on Employer Assets | 83 | 91 |
| Interest on Pension Scheme Liabilities | <u>(92)</u> | <u>(97)</u> |
| Net cost of financing and assets | <u>(9)</u> | <u>(6)</u> |
| | 2018 | 2017 |
| | £'000 | £'000 |
| Changes in value of scheme assets: Actuarial Gains | 132 | 510 |
| Changes in defined benefit obligations: Actuarial Gain/(Losses) | 357 | (684) |
| Actuarial gain/(loss) recognised in SOFA | <u>489</u> | <u>(174)</u> |
| Movement in deficit during the year: | 2018 | 2017 |
| | £'000 | £'000 |
| Deficit at beginning of the year | (361) | (191) |
| Movement in year: | | |
| Current Service Cost | (74) | (55) |
| Past Service Cost | - | - |
| Employer contributions | 67 | 65 |
| Net return on financing and assets | (9) | (6) |
| Actuarial gains/(losses) | <u>489</u> | <u>(174)</u> |
| Deficit at end of year | <u>112</u> | <u>(361)</u> |

The estimated employer's contributions for the year to 31 March 2018 are £67,000.